

Message Text

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ACTION EB-07

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TAGS: BEXP, ETRD, MY

SUBJECT: FORMATION OF A NATIONAL FILM CORPORATION

1. AMERICAN MOTION PICTURE ASSOCIATION (AMPA) SINGAPORE REP, ROBERT PERKINS, RECENTLY CALLED ON ECON COUNSELOR TO DISCUSS INFORMATION HE HAD RECEIVED REGARDING GOM INTENTION TO ESTABLISH NATIONAL FILM CORPORATION (NFC) TO CONTROL ALL ASPECTS OF FILM INDUSTRY IN MALAYSIA. PERKINS UNDERSTOOD THAT A BILL ESTABLISHING THE NFC WOULD BE SUBMITTED TO PARLIAMENT IN NOVEMBER. PERKINS PARTICULARLY DISTURBED OVER REPORTS THAT NFC WOULD TAKE OVER ALL IMPORTS OF FILM INTO MALAYSIA. IF THIS SHOULD HAPPEN, PERKINS STATED THAT AMPA WILL, AS A MATTER OF POLICY, NO LONGER PROVIDE AMERICAN FILMS TO MALAYSIA. IF IT APPEARED AT THAT TIME THAT THE NFC WOULD BE THE SOLE MALAYSIAN ORGANIZATION HANDLING THE IMPORT OF FILMS, THEN ACCORDING PERKINS, AMPA CHAIRMAN JACK VALENTI AND OTHERS WOULD PURSUE THE MATTER DIRECTLY WITH THE MALAYSIAN EMBASSY IN WASHINGTON.

2. FOLLOWING THIS CONVERSATION, EMBOFF CALLED ON ENCIK OMAR BIN YUSOFF, INDUSTRY DIVISION, MINISTRY OF TRADE AND INDUSTRY, TO DISCUSS GOM INTENTIONS REGARDING NFC. OMAR CONFIRMED THAT GOM PLANNING TO PRESENT BILL TO PARLIAMENT, IN EITHER NOVEMBER OR JANUARY SESSIONS, ESTABLISHING NFC. ACCORDING TO OMAR, OBJECTIVES OF NC ARE BROADLY DEFINED. CORPORATION IS TO: A) ESTABLISH ENTITY TO CONTROL LOCAL
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FILM INDUSTRY; B) PROMOTE AND DEVELOP LOCAL FILM INDUSTRY;

C) SEE THAT ALL FILMS SHOWN IN MALAYSIA CONFORM TO "LOCAL PATTERNS OF MORALITY"; AND D) ENSURE THAT THERE IS LOCAL (READ BUMIPUTRA, I.E., ETHNIC MALAY) PARTICIPATION IN THE EQUITY AND MANAGEMENT OF THE INDUSTRY.

3. OMAR STATED THAT THE UNSPOKEN OBJECTIVE OF THE NFC WAS TO BREAK UP WHAT HE DESCRIBED AS THE "DUOPOLY" IN THE INDUSTRY HELD BY TWO HONG KONG-BASED ORGANIZATIONS, SHAW BROTHERS AND CATHAY. ACCORDING TO OMAR, THESE COMPANIES TOTALLY CONTROL THE LOCAL FILM INDUSTRY FROM PRODUCTION AND IMPORTS THROUGH DISTRIBUTION TO EXHIBITION IN THEIR CHAINS OF MOVIE THEATERS.

4. IN RESPONSE TO SEVERAL SPECIFIC QUESTIONS; OMAR STATED THAT THE NFC WAS NOT REPEAT NOT INTENDING TO TAKE OVER THE IMPORT OF FOREIGN FILMS. EXISTING IMPORTERS WILL BE REGULATED AND AN ATTEMPT WILL BE MADE TO CUT DOWN ON THE NUMBER OF IMPORTER CHINESE LANGUAGE FILMS (FROM THE PRESENT 50 PERCENT OF TOTAL IMPORTS TO ABOUT 20-30 PERCENT). WITH REGARD TO AMERICAN FILMS, OMAR SAID THAT BECAUSE OF THEIR POPULARITY AND THE WEAKNESS OF THE LOCAL INDUSTRY, IT WOULD BE SEVERAL YEARS BEFORE THEIR IMPORTATION WOULD BE CUT BACK. LOCAL IMPORTERS WILL HAVE TO ABIDE BY THE NFC'S RULES REGARDING MORALITY AND LOCAL PARTICIPATION BUT THE NFC WILL NOT BECOME THE SOLE IMPORTER OF FOREIGN FILMS. IT WILL, HOWEVER, ESTABLISH ITS OWN CHAIN OF MOVIE THEATERS SO AS TO PROVIDE COMPETITION TO SHAW AND CATHAY. OMAR WOULD NOT PROVIDE EMBOFF WITH DRAFT OF BILL STATING THAT IT NOT COMPLETE AND MORE REVISIONS WERE EXPECTED.

5. COMMENT: IF OMAR IS CORRECT IN HIS STATEMENT THAT NFC WILL ONLY REGULATE RATHER THAN TAKE OVER IMPORT OF FILMS INTO MALAYSIA, AMPA MAY NOT HAVE A PROBLEM. MINDFUL THAT STATED OBJECTIVES OF NFC WOULD CHANGE, EMBASSY WILL CLOSELY MONITOR PROGRESS OF BILL AND ACTUAL PROGRAMS OF NFC WHEN ESTABLISHED. WHILE PROMOTION OF BUMIPUTRA PARTICIPATION IN FILM INDUSTRY IS A VALID GOAL IN LIGHT OF NEW ECONOMIC POLICY, PRESENTATION OF BILL ESTABLISHING NFC AS VIRTUAL FAIT ACCOMPLI IN PARLIAMENT AND POSSIBLE CONSEQUENT SHARP REDUCTION IN NUMBER OF CHINESE FILMS AVAILABLE COULD BE LIMITED OFFICIAL USE

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SEEN BY MANY CHINESE AS ONE MORE GOM ATTEMPT TO STRIKE AT WHAT THEY VIEW AS LEGITIMATE INTEREST WITHOUT ADEQUATE PRIOR CONSULTATION.
UNDERHILL

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